

Message Text

UNCLASSIFIED

PAGE 01 ABU DH 01109 120916Z

ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 EB-08 L-03 TRSE-00 /022 W

-----120932Z 033687 /22

R 120825Z APR 77

FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 5929

UNCLAS ABU DHAI 1109

E.O. 11652: N/A

TAGS: BEXP, TC

SUBJECT: ABU DHABI TAX LAWS

1. IN CONNECTION WITH NEW U.S. TAX LEGISLATION, EMBASSY HAS RECEIVED SEVERAL INQUIRIES REGARDING INDIVIDUAL AND CORPORATE LIABILITY UNDER LOCAL TAX STRUCTURE. BASICALLY THERE ARE NO LOCAL INDIVIDUAL INCOME TAX ASSESSMENTS OR LAWS.

2. ABU DHABI CORPORATE TAXATION IS GOVERNED BY ABU DHABI INCOME TAX DECREE OF 1965 AS AMENDED. ALTHOUGH THIS LAW IS VERY GENERAL IN NATURE AND PROVIDES FOR THE LEVYING OF TAXES ON ALL REPEAT ALL CORPORATIONS, IT HAS BEEN LOCAL PRACTICE TO IMPOSE TAXES ONLY ON THOSE ENTITIES DIRECTLY INVOLVED IN THE EXPLOITATION OF HYDRO-CARBON RESOURCES. SPECIFICALLY,

A. IT HAS NOT BEEN AND IS NOT NOW THE PRACTICE TO IMPOSE ANY INCOME TAX ON ANY CORPORATION OTHER THAN THOSE DERIVING INCOME FROM THE PRODUCTION OR SALE OF PETROLEUM.

B. A COMPANY ENGAGED IN PROVIDING SERVICES AND EQUIPMENT TO A COMPANY ENGAGED IN EXPLORING FOR, DEVELOPING, PRODUCING PETROLEUM OR NATURAL GAS IS NOT TAXED ON ITS INCOME FROM THESE ACTIVITIES;

C. THIS EXEMPTION'S APPLICABLE BOTH TO SERVICE AND EQUIPMENT COMPANIES ORGANIZED, MANAGED, AND CONTROLLED

UNCLASSIFIED

PAGE 02 ABU DH 01109 120916Z

ABROAD AND TO THOSE ORGANIZED, MANAGED AND CONTROLLED IN ABU DHABI.

3. THIS INFORMATION WAS DERIVED PRIMARILY FROM CONSULTATIONS WITH THE DIRECTOR OF ABU DHABI DEPARTMENT OF FINANCE, JOHN BUTTER, AND WITH THE PRE-EMINENT LOCAL LAW FIRM OF HATIM'S ZU'BI AND ALI

GHOSHEH. IT IS FORWARDED SO THAT THE DEPARTMENT
WILL HAVE IT AVAILABLE TO PROVIDE UPON REQUEST TO
INTERESTED U.S. PARTIES. WISH TO ADD CAUTIONARY
NOTE, HOWEVER, THAT LAW PROVIDING FOR CORPORATE
TAXATION IS ON BOOKS. AT THIS TIME ABU DHABI DOES
NOT NEED REVENUE AND IN PRACTICE LAW IS BEING APPLIED
ONLY TO PETROLEUM OPERATING COMPANIES. IN THE FUTURE
IT COULD REPEAT COULD BE APPLIED ACROSS BOARD, PERHAPS
EVEN RETROACTIVELY.
DICKMAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ABUDH01109
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770126-0386
Format: TEL
From: ABU DHABI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770468/aaaacgos.tel
Line Count: 72
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5fa72fa7-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2837758
Secure: OPEN
Status: NATIVE
Subject: ABU DHABI TAX LAWS
TAGS: BEXP, TC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5fa72fa7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009